

# Hitting The Mark With Hired Guns - Consultants

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Today's demanding IT environments often require specialized talent that is hard to find and even harder to retain. This is forcing many organizations to consider short term purchased labor. Understanding some of the overlooked benefits and hidden drawbacks of these hired guns can help you keep them on target while avoiding a shot to your foot.

Infrastructure managers needing to fill specialized positions today often use consultants and contractors. Their use in IT environments in general, and in IT infrastructures in particular, is increasing at a rapid rate for a variety of reasons. Outsourcing, company downsizing, acquisitions and mergers and global competition are leading to significant reductions in full-time IT staff.

This trend toward reduced IT staffing, especially in larger, more established shops, is also feeding the supply of ready consultants. Many displaced IT personnel elect to become independent consultants. These former workers often enter into service contracts with their previous employers. Others market their skills to companies with similar IT environments to ensure a good fit between the skills they offer and the technical requirements to be met.

The continued growth in technology has also contributed to unprecedented demand for IT consulting services. The integration of dissimilar architectures such as database software, desktop operating systems, and networking technologies often require specialized skills. In many cases managers find it easier to contract with a consultant for these specialized skills than to attempt growing them from within. A heightened awareness of the benefits of new, replaced, or migrated systems is pushing implementation schedules forward. Accelerated schedules are well suited for the immediate availability and short-term commitments that consultants and contractors can offer. The shortened project life cycles of open system applications, the rapid deployment of web-enabled systems, and the growing intensity of global competition are some of the forces at work today that fuel this demand for accelerated implementations.

Consultants come in a variety of types, and they contrast slightly with the notion of a contractor. Understanding the differences can help ensure a better fit of consultant and contractor skills offered, to the business requirements to be met. The term "consultant" normally refers to someone hired to do an analytical task such as a capacity study, a security audit, or a re-engineering assignment. The term "contractor" generally refers to someone hired to perform a more specific task, such as coding an interface or developing a software enhancement.

Consultants are commonly supplied from one of the major accounting firms, or from major computer hardware or software suppliers. Contractors, on the other hand, are more likely to come from software development companies or are in business for themselves. Consultants tend to be oriented toward issues of strategy, service process and management. Contractors tend to be oriented toward issues of coding, documentation,

technology and deliverables. These orientations then determine the specific type of consultant or contractor to be hired.

Knowing the specific type of person to be hired helps in one other important area, that of teaming with onboard employees. For example, a consultant hired to develop IT service levels with customers needs to show empathy towards the customers he or she is dealing with. Similarly, a contractor hired to work with an existing team of onboard developers needs to be able to fit in with the members of the group.

### **Benefits of Using Consultants and Contractors**

One immediate benefit of using consultants and contractors is their ability to provide readily available technical expertise. Since they are under contract, you pay for only the time they expend. As the demand for IT services continues to increase, it often becomes difficult, if not impossible, to attract and retain skilled, knowledgeable, and highly motivated personnel; this becomes even more challenging as the diversity of IT environments continues to increase. Shops are migrating from one hardware platform to another at ever increasing rates, or from one software architecture to another, be it applications, databases, or operating systems. In the midst of these many transitions, there may not be the necessary level of technical expertise onboard to perform the migration, support, or maintenance of these systems. Highly specialized consultants can help alleviate this by providing technical expertise in the areas needed.

Another benefit that consultants and especially contractors offer to an enterprise is assistance in accelerating critical development schedules. The schedule for the implementation of major applications is often dictated by specific needs. For example, a critical distribution system in a major toy company may have been cost-justified based on its absolute deadline of the Christmas buying season. New systems that were designed to correct the Year 2000 problem obviously had to be in place prior to the start of the new millennium. Organizations may have the necessary quality of skilled employees onboard, but simply not an adequate quantity of them in order to meet critical schedules. In these instances, consultants and contractors may be quickly brought in to assist in keeping projects on schedule.

One of the most highly publicized examples of an IT development effort missing a critical deadline involved the Hershey Chocolate Corporation. A new and highly advanced distribution system was slated to be implemented during the Summer of 1999. Teams of consultants and contractors were brought in to assist in this effort. But a series of missteps undermined progress on the project. Unanticipated problems, untimely miscommunications, and an overly-aggressive deployment plan all contributed to a six-month delay in the launch of the system. Unfortunately for Hershey, most of their annual sales occur in October, in preparation for Halloween. The system was eventually implemented successfully, but long after the lucrative holiday sales season.

Occasionally a unique technical requirement arises. Even a fully staffed and highly diversified IT department may not possess the technical expertise required for such a task. Consultants may be a more cost-effective alternative to hiring full-time personnel,

particularly if the implementation of the project is relatively short-lived. Interfacing an NT-based application with a Unix/Oracle database environment may be an example of this.

### **Drawbacks to Using Consultants and Contractors**

One of the primary drawbacks to using consultants and contractors is their high costs in relation to onboard staff. The rates of critically skilled consultants from key suppliers or major accounting firms can be thousands of dollars per day per individual. But if the need is urgent enough, expense may not be a prime factor.

A drawback that occasionally occurs in larger shops is the adverse affect on employee morale. Consultants and contractors who are highly skilled in a critical technical area may dismiss the need to be good team players. In their minds, their extremely high rates may justify an insistence on priority treatment in order to optimize their time on the clock. Thorough interviewing and reference checks can usually mitigate this concern.

Since most consultants and contractors bill on an hourly or daily basis, there is always the concern that some may not work as efficiently as possible, more time equals more revenue. Three areas prone to this are the use of e-mails, voice-mails and meetings. E-mail is an excellent mechanism for distributing simple, one-way information to many recipients. It typically does not lend itself to activities such as brainstorming, problem-solving, or personnel issues where tone, emotion and reactions can easily be misinterpreted. When consultants or contractors engage in these activities, a task that may have taken only a few hours can drag on for days or even weeks.

Voice-mail and telephone misuse is another source of inefficiencies among consultants and contractors. They often neglect the simple technique of leaving a detailed message on voice-mail about the nature of a call when a called party is not available. Instead, the consultant or contractor asks only to have the call returned, with no mention of subject, topic or the issue at hand. This usually results in numerous rounds of time-wasting telephone tag. Efficiency-minded consultants and contractors can often resolve issues with voice mail by simply providing specific questions, information or responses.

Meetings with consultants and contractors can become a drawback from two standpoints. The first is simple mismanagement of meetings. Commonly accepted meeting practices such as advance online invitations, an agenda, objectives, action items, minutes, and the use of a scribe, timekeeper and facilitator can significantly improve a meeting's efficiency and effectiveness. Contractors, and especially consultants, need to conduct numerous meetings as part of the performance of their duties, but few follow many of the common meeting practices described above. Also, unnecessary meetings are sometimes held by consultants and contractors. A brief face-to-face discussion or even a telephone call may accomplish the same result as that of a costly and time-consuming meeting.

A final drawback to using consultants and contractors is the issue of hidden costs. The total cost of employing a consultant or contractor is not always apparent when their initial contract is drawn up. Some of these hidden costs include office space, parking, and long distance telephone use. Most consultants today have their own laptop computers or access to a desktop. But an independent contractor who is employed primarily to do coding

work may require access to a company desktop computer, login authority to the company network, and printing services. All of these activities require setup time, administration work, and other expenses not specifically spelled out in the initial contract.

Today's urgent demand for, and diminished supply of, specialized IT talents makes the use of consultants and contractors an attractive alternative to costly permanent headcount. Understanding and managing some of extra benefits and hidden costs of these expensive hired guns can make your short-term investment in part-time labor pay off for the long-run.

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